Date: March 16, 2009

To: M&G Drilling Company c/o Thompson Engineering & Prod. Corp. 7415 East Main Street Farmington, NM 87402

Re: Graham 10 #7
Directional Survey

Below is the directional survey for the Graham 10 #7, 790' FNL & 1930' FEL, Section 10, T27N, R8W, API # 30-045-32728.

Degree & Depth .25 6640'

RCVD MAR 17'09 OIL CONS. DIV. DIST. 3

Acknowledgement

STATE OF NEW MEXICO)

)ss

COUNTY OF SAN JUAN)

Signed & Acknowledged By

Paul C. Thompson Title: President

Thompson Engineering & Prod. Corp.

This foregoing instrument was acknowledged before me this_____da

_day of March_2009.

My commission expires: 2/20/13

Notary Public

D & J DRILLING L.L.C. P. O. BOX 49 FARMINGTON, NM 87499 505-325-1194

ORIGINAL

DATE: 12/06/08

RIG#1

M&G DRILLING COMPANY INC.

P.O. BOX 5940

FARMINGTON, N.M. 87499

RCVD MAR 17'09 DIL CONS. DIV.

MST. 3

ATTN: PAT GOTTLIEB

THIS LETTER IS TO CERTIFY THAT D & J DRILLING, DID RUN DEVIATION SURVEYS AT THE LISTED DEPTH ON YOUR GRAHAM 10 # 7 WELL, IN SECTION 10, T27N, R08W IN SAN JUAN COUNTY, NEW MEXICO. API WELL NUMBER, 30-045-32728

DEPTH	DEGREE DEVIATION	DEPTH	DEGREE DEVIATION
235	1/2	1718	1-1/4
724	1	2218	2
1220	3/4	2555	1-3/4

TO THE BEST OF MY KNOWLEDGE, I SWEAR THIS INFORMATION TO BE TRUE.

State of New Mexico

County of San Juan ,

Notary Public, L. Nanette Rahm

NOTARY PUBLIC - STATE OF NEW MEXICO
My commission expires: (5-29-6)

OFFICIAL SEAL

L. NANETTE RAHM

SINCERELY,

John K. Richardson

Owner/Partner